

CTTC International Advisory Council
Agenda and Discussion Summary
Conference Call, Tuesday October 17, 10:30am-12pm

Participants

Jon Handlery (Chair)	Handlery Hotels / CTTC Commissioner
Deborah Reinow	San Francisco CVB
Marilyn Hannes	SeaWorld San Diego
Jeri Salazar	Disneyland Resorts
Richard Peterson	La Inc. The Convention & Visitors Bureau
Jackie Williams	Port of San Diego
Woody Peek	Palm Springs Desert Resorts CVA
Andy Chapman	North Lake Tahoe Resort Association
Jennifer Jasper	CTTC
Glenda Taylor	CTTC

Introduction

Introduction and general update by Chair, Jon Handlery. Jon provided a broad update about the new car rental bill passed by Governor Schwarzenegger. He commented that this bill has completely changed the dynamics of the Commissions budget. Jon introduced Glenda Taylor as the new Director of International and Domestic Travel Trade. He also presented information about the opening of the Manager of International and Domestic Travel Trade position with the Commission. Jon asked for input from the council on any additional skills or qualifications they feel were missed in the job description. As well as explained that the Commission is open to suggestions to fill the position. There are many new and exciting things in the future with the additional funding, it will be very positive and the Commission can continue to be productive.

Budget and Program Update

Jon started by explaining that the figures included on the budget spreadsheet are starting points, and are open for discussion. For the remainder of this fiscal year, the Commission will be sticking to the same markets but adding more money to their budgets.

Jennifer Jasper, CTTC, gave details regarding the new budget that is the result of the new bill being passed for the added assessment of car rental agencies. The Commission originally subsidized on \$7.3 million from the State and about \$9 million from assessments. This new bill will allow the Commission to continue to receive the \$9 million from assessment collection, but with the new money, \$6.3 million will be given back to the state. This leaves a remainder of \$1 million in funds coming from the state. Because of the car rental assessments at airport and other tourist locations, the Commission will have a budget of up to \$25 million this fiscal year and up to \$50 million for the next fiscal year.

Jon added that this puts the Commission in a very good place because they are no longer dependent on who is elected Governor and what money will be allocated to tourism, we

are able to stand on our own, which allows us to compete with other states on a whole other level. The new budget gives leverage to do things on an international level that we didn't think was possible. He also pointed out that the numbers are not set in stone, and if there is an opportunity in another country, the money can be shifted to explore that market. But as a starting off point the Executive Commission wants to see actual money amounts.

Jennifer stated that the budget will be finalized next week, during the Commission meeting. Any changes to the budget at the meeting will not interfere with the ability to make an impact, reach the consumer or meet the goals of the Commission internationally. The plan is to be smart with the money this year, so we can get more next year.

Continuing with the budget, the amounts for research has also been increased. Jennifer explained that this increase will allow the Commission to conduct more research, and have access to more research. This will include the ability to determine more accurately where people are coming from when they come to California. This will mean that the benefits of the additional budget allocated to different areas can be fully seen. With the programs we are going forward on, there will be enough money to have Return on Investment research, which can be fully documented, so we know what benefits we are getting for the adding funding.

Jon added to this by saying that with the updated and more in depth reports we can purchase, these numbers will give us more direction because they will indicate emerging markets, which will allow us to act on new opportunities.

International Offices Status and Updates

Jennifer explained the new Nissan California partnership, where Nissan will be developing an SUV surrounded by promotions and sweepstakes that will promote California across Europe. This is set for launch in March or April 2006, just in time to tie in with vacation buying. This program will hopefully lead to other new, but similar, promotions with other markets such as Japan.

Jennifer mentioned the exciting new commercial that will be airing in Canada. She explained why we are not opening an office there this year, because we would like to get our name and brand out there first in Canada, and keep focused on the current markets and offices in place, and hopefully move into that market with more force during the next fiscal year.

Because it takes a long time to secure offices in additional markets, Jennifer explained that this year the focus will remain on markets that have proven to be successful and more of a focus will be put on building additional markets, such as Mexico, Scandinavia, and Brazil, next year. Because there are only 7 months left in our fiscal year to execute any new marketing plans, we want to be able to do it right with favorable results.

Jennifer also mentioned the possibility of upcoming promotions with the California Lottery as well as various film promotions.

Jennifer updated on the trade mission to Mexico City with the Governor. The IMAX film promotion will be one of the highlights of the trip, along with a stronger presence at the event, including a wine reception. This will allow more consumer outreach and promotion of California.

Jon introduced that the commission is going out to bid on new representation in Australia and New Zealand. We may end up sticking with current offices, but we would like to see what else is out there, because we don't really know the players. We would also like to look at the ROI amounts, and what accountability we can expect from a different office. Glenda Taylor, CTTC, gave timeline and dates for the bid of representation. Jennifer explained that this bid will be fast tracked because we would like to have it in place by February, in time for the Visit USA promotion.

Other Business

Jennifer let the council know that Glenda will be there contact now with her new promotion. She also introduced Lynn Carpenter as the New Director of Marketing with the Commission. She comes to the CTTC from Mammoth Ski Resort. She will start work during the Commission meeting at the end of October, and is very excited to get started, so it should be an easy transition.